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will be of little assistance to him. To the writer's mind this part of the book would have been better if distributed through the preceding sections.

The book is exceedingly valuable to the specialist in cost accounting and to factory managers, but it is not one that can be used effectively by beginners, and, to do the author justice, was not designed for such.

JOHN C. DUNCAN.

*University of Illinois.*

*Cost-Keeping for Manufacturing Plants.* By STERLING H. BUNNELL. (New York: D. Appleton and Company. 1911. Pp. x, 232. \$3.00.)

According to the author's preface, this book has been written for three classes of readers: first, the experienced accountant; second, accountants and manufacturers who have in operation modern cost-keeping methods; third, other manufacturers who have hesitated to investigate their costs, for fear of encumbering their effectiveness with "red tape," delay and expense. To the experienced accountant, "the author hopes to present, in an orderly, concise and comprehensive manner, approved principles of correct cost-keeping," and in this he has been very successful. The systematic way in which he has done his work becomes more apparent as one proceeds in the study; for after referring to the importance of keeping costs, he goes on to discuss the general principles involved in such accounting. After this, he takes up the elements which are included in the cost of a manufactured product, namely, material, labor, factory expenses (or "burden" as he calls it), and sundries. Each of these is treated in great detail, and usually with a clearness of exposition that leaves nothing to be desired—just enough elaboration being given to make the fundamental principles stand out prominently. None but those who have actually installed a system of cost accounts in a large establishment can fully appreciate the lucidity with which the author discusses each of these aspects of the subject. When he has exemplified the method by which an inventory may be taken so as to be correct in description, enumeration and appraisal, he considers (ch. xiii) the routine of cost-keeping;—and shows how the data which are given upon the material tickets, the

labor tickets, and the sundries tickets are brought together in the cost summary sheets, so as to give definite information as to the cost of production of the article or commodity. Chapter XIV is devoted to "Shipping, Summarizing, and Invoicing"; Chapter XV to "The Periodic Reports" that would be required by the department heads in order to guide them in the conduct of the works, by presenting a comprehensive survey of the operations carried on; while the last chapter, in describing "The Proper Use of the Cost System," proves how valuable the cost accounts are in making accurate estimates on new orders, in showing how the efficiency of the factory may be secured, and how economy of material, machinery, and labor may be ascertained and promoted. By his presentation of the utility of a good system of cost accounts, the author makes a strong appeal to those who have hitherto been indifferent or opposed to this important feature of business policy.

In a few instances clearness has been sacrificed, when it could easily have been retained. For example, "product" is included on both sides of the "statement" (p. 15), and the reason given therefor is obscure. Is it not a mistake to use the one account to mean one thing when included among the assets, and something entirely different when included among the liabilities? Further, the term "product," as a liability, is used to represent "the total invoiced value of manufactured goods sold to date." What does this mean? Does it mean the value of the material which was invoiced to the factory in order to make this product, or does it mean the amount for which these manufactured goods were sold, including the material, labor, and other items that have entered into the production? Later on, we learn that he means the latter. In either case, why should we include this under liabilities? Since the latter meaning is intended, the amount would be placed under accounts receivable, on the assets side of the statement. The corresponding credit would have been made at the time these manufactured goods were sold, and could not now enter here as a liability. It is confusion worse confounded to employ the name "product" with the double meaning here shown.

The methods of computing "burden rates" (ch. xi) are in some instances much involved—so much, indeed, that we fear that many manufacturers to whom Mr. Bunnell is trying to show the "simplicity" of cost accounts would be more than ever convinced

of the complexity of such a system. Theoretically, the author's plan may be scientific; but if applied in a *smaller* factory, where the offices of the bookkeeper and cost-clerk are centralized in one person, the latter would be overwhelmed in endless detail.

It seems unwise to have the storekeeper, when giving out the materials to the shops, charge a slightly higher price for them than was paid for them when they were put into the stock-room—the difference being due to interest on the capital for the period between the payment of the invoice and the actual use of the articles in the factory, to rent of storage space and facilities, to wages of stock-keeper, etc. (p. 81). If the storekeeper exercises this trading function, by giving out this material to the shops at a slight advance over cost, it is evident that the cost-keeper is not keeping account of *costs only*, but of cost plus some profit, which thereby leads to inaccuracy and confusion. It appears to the reviewer that the better policy is to include such additions to cost with the other items under the heading of general factory expense. In this way, "cost" would mean "cost" and nothing else. By this method, there would be no difficulty like that noted at the bottom of page 86, in keeping material in the storeroom always at cost price. Each step in the use of the cost sheets is fully explained; but the method of transferring the entries from the register sheets of cost, and of centralizing all in the general commercial books (see close of chapter xiv) is not elaborated with sufficient clearness; in other words, not enough attention has been given to the exact means of bridging the gulf between the cost accounts and the general accounts. A more satisfactory result would have been attained by taking a concrete illustration to exemplify the process that is here expressed verbally.

W. T. JACKMAN.

*University of Vermont.*

*Accounting Systems.* By EDWARD P. MOXEY, JR. (New York: Alexander Hamilton Institute. 1911. Pp. xvii, 468. \$2.50.)

This tenth volume of the series entitled "Modern Business," maintains the high character of its predecessor (vol. iii) on *Accounting Theory and Practice*. Most of the work is by Dr. Moxey, and shows the breadth of view of the practicing accountant and the clear presentation of the experienced teacher. The subjects